

STAT

[redacted] advises that he has informally told his contact, presumably in OMB, that we would concur if State is willing to accept the delegation, and since that time has heard nothing further.

If State agrees, then [redacted] will go to Colby for a formal Agency position at which time he assumes that OGC and OLC views will be requested.

STAT

LLM

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Delegation of Functions under Section 505 of Public Law 92-156

Section 505 of this year's Defense Procurement Authorization Act (Public Law 92-156) establishes an overall limitation of \$350,000,000 on U.S. assistance -- related expenditures in, to, for or on behalf of Laos, as well as criteria for valuation of articles provided. This section also requires that the President submit to the Congress quarterly reports on these expenditures and another report whenever additional appropriation requests are made in the future. We believe the formal responsibilities established by this Section should be delegated, while reserving normal White House policy control over assistance to Laos.

Administering this Section and compiling the required reports will involve some highly technical questions -- for example, the valuation to be placed on certain kinds of aid or the definition of when an "expenditure" has occurred. Such judgments can best be made by the experts who deal with program implementation. Further, it may well be necessary to manage the reporting system carefully to insure that the limitation is not exceeded. Given the special arrangements which obtain in the U.S. mission in Laos and the fact that funds from several different agencies are involved, I believe responsibility for administering this Section should be assigned to the Secretary of State.

Because the first report is due on January 30, 1972, your approval of the delegation is needed soon. No prior delegation of authority is applicable. A memorandum delegating to Secretary Rogers the function of the President under Section 505 is attached for your signature. The Departments of State and Defense, the CIA and Dr. Kissinger concur in this arrangement.

/s/
Shultz